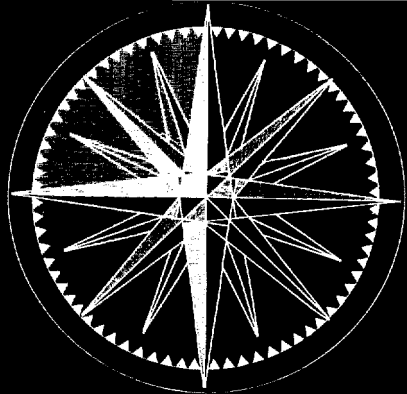


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15 July 1966

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WEEKLY SUMMARY

State Dept. review
completed.

ARMY Review Completed

CENTRAL INTELLIGENCE AGENCY
DIRECTORATE OF INTELLIGENCE

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(Information as of noon EDT, 14 July 1966)

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Hanoi's statements and actions since the start of the POL bombings indicate a firm intention to continue the war despite rumors to the contrary. It apparently is receiving more MIG-21 aircraft. Communist forces in the South again last week suffered sharp reverses. The 11 July deadline for filing candidacies focused attention on South Vietnam's elections this September for a constitutional assembly. The Ky government seems no nearer to settling differences with the Buddhists.	
PEKING MARKS TIME IN VIETNAM WAR	5
Despite the blustering tone of Chinese propaganda since the US began air strikes in the Hanoi-Haiphong area, there has apparently been no change in Peking's cautious position on the Vietnam war.	
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CHANGES IN CHINESE COMMUNIST LEADERSHIP	8
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GROMYKO'S FORTHCOMING VISIT TO JAPAN

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The occasion for the visit starting on 24 July--returning one made by Japan's foreign minister to the USSR in January--is to sign a long-postponed consular convention. The USSR, as its relations with Communist China have deteriorated, has moved cautiously to increase its influence in Japan.

UK TO WITHDRAW FORCES FROM MALAYSIAN BORNEO

12

Although Indonesia has not ended its subversive activities in Malaysian Borneo, the UK, anxious to cut its Southeast Asia commitments, seems to accept Indonesian assurances of good faith. Malaysia apparently feels the British withdrawal will facilitate improved Indonesia-Malaysian relations in all fields.

Europe

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WARSAW PACT MEETING

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The results so far disclosed of the high-level Warsaw Pact meetings in Bucharest from 4 to 7 July suggest that the USSR and the Eastern Europeans were unable to break new ground on outstanding issues within the alliance.

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- GREEK POLITICAL DEADLOCK ENTERS SECOND YEAR 16
A year after the fall of the Papandreou government the deadlock shows signs of easing, and some elements seem to be preparing for the possibility of early elections.
- BURUNDI KING OUSTED 17
Prince Charles, who seized power on 8 July, may have come under the influence of a radical faction in the ruling Tutsi tribal group.
- CONGO'S MOBUTU MOVES AWAY FROM THE WEST 18
Several recent actions seem to be part of an effort to win wider support in the Congo and elsewhere in Africa.
- INTERNATIONAL COURT TO RULE ON SOUTH-WEST AFRICA 19
Its long-awaited decision concerning the legality of South Africa's continued rule there under an old League of Nations mandate will trigger legal and political moves by Pretoria and by enemies of its racial policies.

Western Hemisphere

- CUBA PREPARES FOR 26 JULY CELEBRATIONS 20
Fidel Castro--the rumors about his health and political status now dispelled--will probably play his usual pre-dominant role in the annual ceremonies. His speech may announce a first party congress, denounce recent US air activity in Vietnam, and offer new aid to revolutionary groups in Latin America, Asia, and Africa.
- ARGENTINE GOVERNMENT WEIGHS REFORM MEASURES 21
President Ongania and his advisers are laying the groundwork for major reforms of Argentina's political, labor, and social institutions, but have given little indication of their specific nature.
- VIOLENCE IN JAMAICA 22
The depressed West Kingston area has been rocked for a month by sporadic clashes between rival gangs affiliated with the government and opposition parties. If larger scale rioting occurs in the next year as elections near, the police would be hard put to contain it.

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Far East

VIETNAM

US attacks on North Vietnamese petroleum storage facilities which began on 29 June have denied the DRV nearly 50 percent of the preraid bulk storage capacity, according to late poststrike damage assessments. A large portion of two major POL installations at Hanoi and Haiphong have been destroyed or heavily damaged. It is estimated that as much as three to four months' supply --at 1 April consumption rates-- may have been destroyed.

Sufficient storage capacity and stocks remain, however, to permit both civil and military operations--including infiltration--to continue for more than five months at the estimated 1 April level. Additional imports and cuts in nonessential POL consumption could extend this period.

Propaganda Reaction

Hanoi's public statements and actions since the POL bombings indicate an intention to continue vigorous prosecution of the war despite rumors to the contrary

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The accelerated evacuation of non-

essential Hanoi residents is another sign of his determination to continue the war.

The POL strikes have brought new promises--including one from the Warsaw Pact to send volunteers to aid Hanoi "if requested." Chinese pledges of support (see Page 5) were also contingent on Hanoi's "needs and demands."

The USSR's renewed references to aid are consistent with propaganda themes of the past year. The carefully hedged assertions do not increase the Soviet commitment but Moscow probably expects them to encourage third-country pressures on the US to stop bombing the DRV. They also help counter Peking's charges of US-Soviet "collusion."

The USSR's limited freedom of maneuver will again become evident this week during Indian Prime Minister Gandhi's visit and when British Prime Minister Wilson arrives in Moscow on 17 July. Mrs. Gandhi has proposed that the Geneva conference be reconvened--a development the British have favored for some time. However, Moscow has made it quite clear it will take no initiative on Vietnam without Hanoi's approval. No such approval seems in sight.

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DRV-US Air Engagements

US fighter-bombers tangled with North Vietnamese fighters four times between 7 and 14 July. One MIG-17 Fresco and two MIG-21 Fishbeds were shot down. In two of the engagements, the US pilots reported that air-to-air missiles were fired at their planes.

The number of MIG-21 Fishbeds in North Vietnam has apparently increased recently. Seventeen MIG-21s--four more than in earlier film--were photographed at Phuc Yen Airfield

Military Action in the South

Communist forces in South Vietnam again last week suffered sharp reverses at the hands of allied search-and-destroy operations.

The major action occurred on 9 July in Binh Long Province, 50 miles north of Saigon. Elements of the US 1st Infantry Division participating in Operation EL PASO II lured major units of the 272nd Viet Cong Regiment into a "counterambush" near the provincial capital of An Loc. Nearly 250 enemy troops were killed; friendly losses were 24 killed

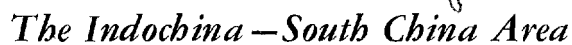
and 113 wounded. The US battle plan was similar to one in this same general area on 30 June which killed some 300 Communists.

The South Vietnamese Army (ARVN) conducted multibattalion ground sweeps in the central highlands province of Darlac and in coastal Binh Dinh Province during the week, resulting in combined enemy losses of 344 killed. Government casualties were light.

Communist-initiated military activity during the week was highlighted by an abortive battalion-sized attack on 11 July against an ARVN company in Binh Dinh Province--resulting in 68 Viet Cong killed--and by a two-company attack on 9 July against an ARVN battalion west-southwest of Quang Tri city. In addition, Viet Cong mortar crews on 7 July shelled the recently completed US-Vietnamese air base at Binh Thuy in the delta province of Phong Dinh. Personnel and aircraft losses at the base were light.

There continue to be indications of the infiltration of the 324th North Vietnamese Army Infantry Division into northernmost Quang Tri Province, posing a major threat to government positions in the Ba Long valley area and in Quang Tri city itself. At present, however, only one regiment--the 812th--has

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been accepted in MACV's order-of-battle figures.

Political Developments

Interest in South Vietnam's elections this September for a constitutional assembly was high this week because of the 11 July deadline for filing by candidates. Some 700 candidates filed for the 108 seats throughout the country.

The Religious Citizens Bloc, made up of splinter groups from several religious and political factions, continued to publicize its opposition to any elections held by the Ky government. Northern Catholic refugee priest Hoang Quynh, who reportedly has little following, stated in his capacity as spokesman for the bloc that it planned no demonstrations but would issue periodic criticisms of the government. The militant deputy chairman of the Buddhist Institute, Thich Phap Tri, is also associated with the bloc, but it is not clear whether this association is purely personal or represents the institute's official policy.

Prospects for a final settlement of differences between the government and the Buddhist Institute grew dimmer this week, as moderate institute chairman Tam Chau apparently failed in his attempts to gain control over the militant Buddhists. Chau publicly announced that he was withdrawing from active participation in institute affairs until after the elections. He said, however, that he was retaining his position as chairman and his veto power over official institute pronouncements. Although the

militant majority of institute council members have on several occasions announced their opposition to the elections, there is no firm evidence yet that they will make a concerted effort for a boycott.

Premier Ky's new cabinet was announced this week. Southerner representation was increased with several former ministers from the Huong government, including a new civilian deputy premier. Catholic influence was maintained with General Nguyen Bao Tri as information minister. However, two ministers close to the Buddhist Institute were replaced.

The authority of revolutionary development minister General Thang, in charge of the government's increasingly important rural pacification effort, was increased by aligning several associated ministries under his supervision. This realignment decreased the administrative authority of deputy premier and war minister General Co.

A special council of 20 generals meeting in Saigon on 8 and 9 July decided against court-martial for the five generals involved in the recent antigovernment movement, and handed out lenient sentences. Former I Corps commander General Thi was sentenced to 60 days' confinement and retirement from the army. Although the possible public disgrace of General Thi reportedly had aroused some elements within the military, there have been no reports of significant adverse reaction to his sentence.

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PEKING MARKS TIME IN VIETNAM WAR

The Chinese continue to rant about US "escalation" in Vietnam and "indignation" rallies have been staged this week in major cities all over the mainland. Thus far, however, the violence of Peking's reaction to US air strikes in the Hanoi-Haiphong area has not approached that of its response to the August 1964 Tonkin Gulf crisis or to the start of sustained US air attacks on North Vietnam in February 1965. This suggests that there has been no change in Peking's cautious position.

Speeches made by low-level officials and militiamen dust off old threats of possible Chinese intervention by repeating pledges of readiness to fight "shoulder to shoulder" with the Vietnamese --a theme which had not appeared since last fall. Official statements, however, have continued to be worded in such a way as to avoid any enlargement of China's public commitment to assist North Vietnam.

Premier Chou En-lai's public remarks on 9 July carry the implication that Peking is reluctant to increase China's investment in the war very substantially. Chou declared that China has been giving "unreserved" support to Hanoi "from the very first day" of US "aggression."

An article in People's Daily on 10 July exhorted Hanoi to

"rely on your own efforts, and your position is invincible." The article cites Maoist theory on the value of outside assistance in prosecuting "people's war" and revolution, but declares that "whatever the amount, it is only auxiliary." It adds that revolutionaries must "rely on themselves and be prepared to carry on the struggle by themselves should all material aid from outside be cut off."

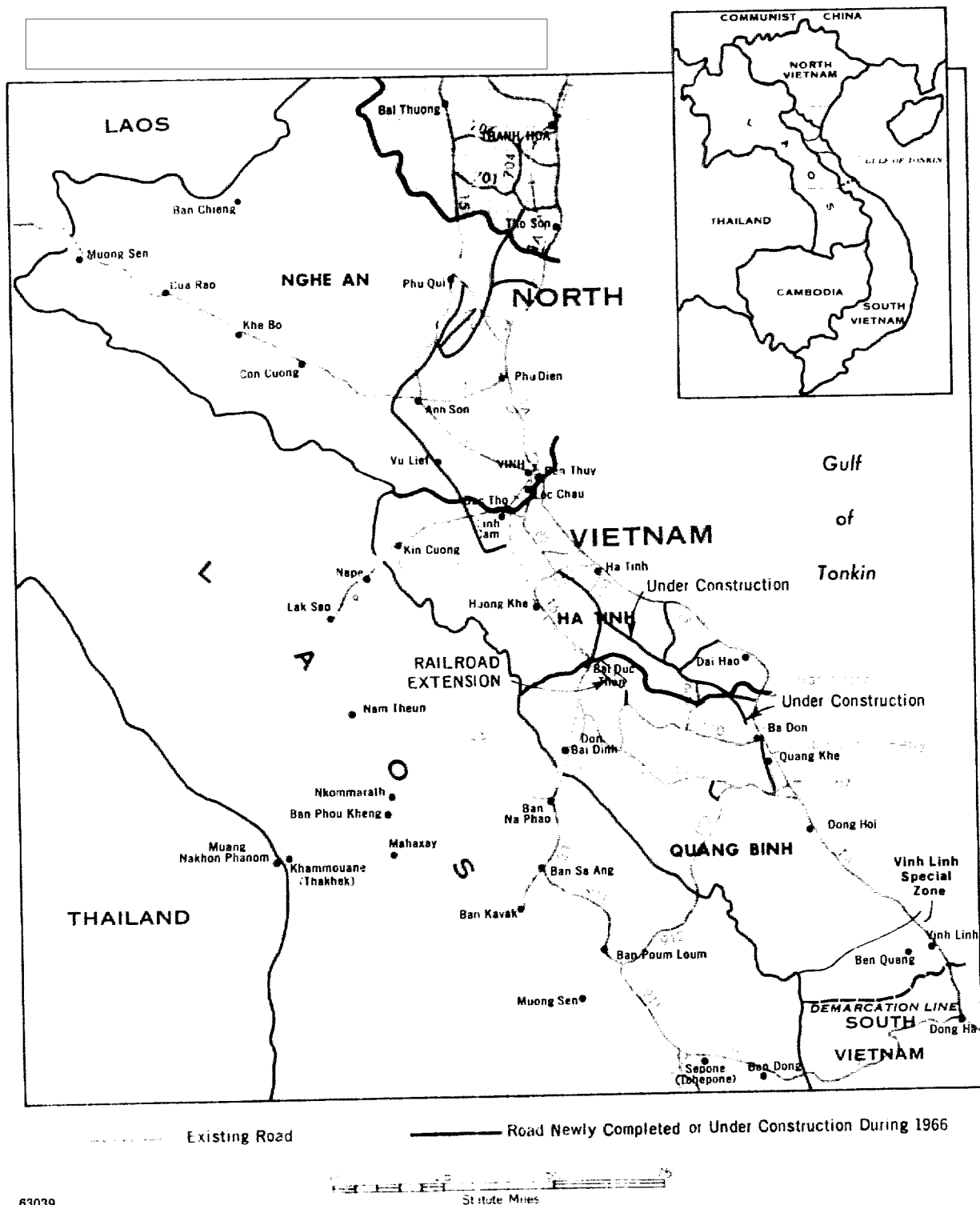
This self-help line was accompanied by urgings to the Vietnamese to remain steadfast in the fight. This suggests a possible increase in Chinese concern over morale in Hanoi. Peking's first authoritative reaction to the bombings in the Hanoi-Haiphong area, a government statement on 3 July, had cited with approval Ho Chi Minh's statement of last December that the Vietnamese would carry on with the war "10 or 20 years or a longer time until final victory." A strong editorial in People's Daily on 5 July, also quoting Mao, counseled against discouragement in the face of displays of strength by the enemy. It noted that "some revolutionaries" might be deceived by the "last desperate struggle" of the "imperialists."

In his speech on 9 July, Chou En-lai underscored Peking's opposition to negotiations by sharply rejecting India's proposal for reconvening

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the Geneva conference. Chou called for immediate withdrawal of US troops from Vietnam and said without this a new Geneva meeting is "entirely out of the

question." In a speech on 10 July, Foreign Minister Chen Yi stressed Chinese faith that the Vietnamese would defeat the US "through protracted struggle."

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NEW ROAD CONSTRUCTION IN SOUTHERN NORTH VIETNAM

North Vietnam is nearing completion of a new network of roads to supplement existing routes in the three southern provinces which comprise its Military Region IV. These new roads will facilitate the movement of supplies into southern North Vietnam and Laos and reduce the vulnerability of the transportation system to air strikes.

25X1 About 265 miles of new roads and improved existing rural routes have now been identified

25X1 In the northern part of the system a long by-pass, providing an alternate to Routes 1A and 15, has been completed from Thanh Hao down to the old railroad southwest of Vinh. Supplies moving by this route will avoid the potential bottleneck at Vinh and can be transported on the rail line either down to its junction with Route 15, which leads to Mu Gia Pass, or farther south to its junction with access roads leading to Route 137, the recently completed entry road into the Laotian infiltration corridor.

South of Vinh, roads nearing completion will provide a maze of alternate routes with numerous east-west connections between coastal Route 1A and interior roads, as well as a north-south alternate to Route 1A from west of Ha Tinh south to the Ron Ferry. The railroad south of Vinh has also been extended southward for a short distance and is being connected by road to Route 110.

When construction now under way is completed, North Vietnam will have an interconnected system of road, rail, and water transport providing increased flexibility in the movement of supplies into and through its Military Region IV. Particularly in the southern area, goods arriving by coastal transport will be able to be transshipped over numerous alternate routes to either of the two roads leading into the Laotian Panhandle.

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CHANGES IN THE CHINESE COMMUNIST LEADERSHIP

During the past week Peking revealed that the party's top propaganda chief had been dismissed and that two members had been added to the secretariat, the powerful body responsible for running day-to-day affairs of the party. Such shake-ups in the secretariat are rare--there have been only two others since 1956--and the latest could mean that a new unity, however fragile, has been forged among the party's top leaders. They may now feel they can move to consideration of policy decisions held in abeyance for the last few months.

The appointment to the secretariat of Yeh Chien-ying, a veteran military officer, implies that armed forces chief of staff Lo Jui-ching has been removed from that body. In the past the secretariat has had only one military member, and Lo has been under a cloud for many months.

The status of various other top party and military officials has been in question since the ouster in April of senior politburo member Peng Chen, and disclosures that some of them have fallen into disfavor are expected.

Peking continues to assert that Mao Tse-tung is personally

directing the cultural purification drive now sweeping the nation. Mao may indeed be taking a more active role than during the past winter and spring, but his activities still seem somewhat circumscribed. He did not show up at large turnouts of top leaders in Peking during early July and probably is resting at the mountain resort of Kuling in central China, where he received the Nepalese crown prince last week. This was his first appearance since he met with Albanian leaders in early May and only his second since 26 November 1965.

Peking's identification on 9 July of Chen Po-ta as leader of the group in charge of the "cultural revolution" was probably intended to back up the assertion that Mao is running the campaign. Chen has long been Mao's ghostwriter and chief editor of the party's theoretical journal, Red Flag. His appointment is odd, however, since Chen is known primarily as a writer and theoretician, not as an investigator or party organization man, and Red Flag was slow to join the attacks aimed at Peng Chen.

One of the new secretariat members, Tao Chu, was described as the head of the party's propaganda department, replacing Lu

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Ting-i, propaganda chief since 1945. The ambitious boss of the party's Central-South Bureau, Tao has been emerging as a national figure during the past three years. He can be expected in his new role to deal harshly with intellectuals and cultural officials. In a speech last year Tao defended the right of the regime to "bury the scholars alive," as China's "first" emperor had done 2,000 years ago. His assignment to a Peking post suggests that he will be replaced as first secretary of the Central-South Bureau.

Yeh Chien-ying, a veteran of the Long March and a successful troop commander, has been involved primarily with military training activities during the past decade and only tangentially with political matters. He is a member of the military affairs committee, the chief military policy advisory organ of the party, a membership he shares with a handful of China's foremost military leaders. Since Lo Jui-ching was primarily a police security official, Yeh's appointment brings for the first time since 1959 a predominantly military man into the secretariat.

Composition of the Secretariat, Executive Arm of the Chinese Communist Party,
Disclosed on 9 July 1966

NAMES IN RED DENOTE MEMBERS UNDER A CLOUD OR REMOVED

Name and Date of Last Appearance	Comment
Old Members	
Teng Hsiao-ping 9 July 1966	General Secretary
Peng Chen 29 March 1966	Politburo member; one of Mao Tse-tung's inner circle of advisers; removal as 1st Secretary of Peking Party Committee announced on 3 June 1966
Wang Chia-hsiang 8 May 1962	Politically inactive for many years
Tan Chen-lin 9 July 1966	Politburo member; agriculture specialist
Li Hsueh-feng 9 July 1966	Regional specialist; 1st Secretary of the North China Bureau of the Central Committee; identified as 1st Secretary of Peking on 3 June 1966, replacing Peng Chen
Li Fu-chun 9 July 1966	Politburo member; economic planner
Li Hsien-nien 9 July 1966	Politburo member; finance and trade specialist
Lu Ting-i March 1966	Alternate politburo member; former director of the propaganda department of the Central Committee, removal revealed 9 July 1966
Kang-Sheng 9 July 1966	Alternate politburo member; intelligence specialist
Lo Jui-ching 27 November 1965	Army Chief of Staff; believed to be chief of the secret police
New Members	
Tao Chu 9 July 1966	1st Secretary of the Central South Bureau of the Central Committee; appointment to Secretariat and as director of the propaganda department of the Central Committee revealed 9 July 1966
Yeh Chien-ying 9 July 1966	Senior military officer; appointment to secretariat revealed 9 July 1966; possible replacement for Lo Jui-ching as Chief of Staff
Alternate Members	
Liu Lan-tao 1 July 1966	1st Secretary of the Northwest Bureau of the Central Committee
Yang Shang-kun November 1965	Director of the administrative office of the secretariat; Mao Tse-tung's personal aide
Hu Chiao-mu 11 August 1964	Politically inactive for many years

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COMMUNIST CHINA'S GRAIN HARVEST OUTLOOK

China's early grain harvest, which normally amounts to more than 25 percent of its total annual grain production, has suffered from recent floods in the southern part of the country and persistent drought in large areas of the north. The output of early grains this year apparently is no better than the mediocre harvest of 1965. Unless weather conditions soon improve, the more important autumn harvest will also suffer.

Unusually heavy and prolonged rainfall during June has caused serious flooding in some of the major early rice-producing regions of South China. The three southern provinces normally account for over one third of the country's early rice, or almost five percent of its total annual production of grains. The full extent of the crop loss in this region is not known, but is believed to be significant in some areas. Radio Canton reported on 20 June that "vast areas" of the Pearl River Delta --one of the most important early rice growing areas in China--were waterlogged, but it claimed that "losses were being

held to a minimum." Letters from residents in widely scattered areas of Kwangtung reported heavy crop losses in June.

In most of the North China plain, this year's winter wheat crop was poor because of drought. Now the area is having difficulty sowing the more important autumn-harvested grains because the ground is too dry to plow.

Another mediocre harvest this year would force China again to rely on heavy imports of grain from the West to meet its basic requirements. Grain imports from the West during 1966 will total at least 5.5 million tons. Imports in 1965 amounted to 6.0 million tons.

China has completed contracts for only about 1.0 million tons of wheat from Canada for delivery in the first half of 1967. Negotiations for additional quantities are expected to begin shortly with Canada and other suppliers. The prospects for late 1966 wheat harvests in China's other major suppliers, particularly Australia, are good.

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GROMYKO'S FORTHCOMING VISIT TO JAPAN

Soviet Foreign Minister Gromyko's visit to Japan starting 24 July will return the Japanese foreign minister's visit to the USSR in January and marks another step in the slowly developing rapprochement between the two countries.

Gromyko is coming to sign the long-postponed Soviet-Japanese consular convention. Tokyo, which hopes the visit will contribute to Japan's image as a key power in the Far East, plans also to raise again the issue of Japanese fishing rights. On the basic question of conflicting territorial claims, both sides may find it convenient to play down or avoid this dispute for now.

Gromyko's visit fits the pattern of previous Soviet steps which have brought considerable improvement in the atmosphere of Soviet-Japanese relations. As Sino-Soviet relations have continued to deteriorate, the USSR has moved ahead with a cautious campaign to increase Moscow's influence in Tokyo, as in Asia generally, at Peking's expense. Moscow has been impressed by Japan's efforts to play a more influential role in the Far East.

The consular convention had been snagged on the Japanese demand that fishermen seized in Soviet waters come under the provision for notification of Japanese consuls of the arrest of Japanese nationals by the USSR. A

compromise settlement has now been reached, according to the press. When Soviet Fisheries Minister Ishkov signed a three-year fisheries agreement in Tokyo last month, he rejected a Japanese request for safe fishing operations within three miles of the "Northern Islands" claimed by Japan. Several recent incidents have brought this issue again to the fore and Tokyo intends to raise the matter with Gromyko.

The major obstacle to conclusion of a Soviet-Japanese peace treaty remains Tokyo's desire to regain some of the islands lost to the USSR at the end of World War II--including the Southern Kurils as well as Habomai and Shikotan. Prime Minister Sato, who hopes the Gromyko visit will open the way for him to visit Moscow this fall, might prefer not to press the territorial question now. There is, in any case, little likelihood of early agreement on it, and the Japanese are well aware of this.

Although Japan's increasing importance as a trading partner and as a major factor in the Asian balance of power has enhanced its bargaining position since the Sino-Soviet split, the Japanese feel that they can afford to wait, with time on their side. As a Tokyo Foreign Ministry official has noted, the Russians waited 40 years to regain Sakhalin.

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UK TO WITHDRAW FORCES FROM MALAYSIAN BORNEO

Britain and Malaysia have tentatively agreed that, immediately after ratification of the Indonesian-Malaysian agreement ending confrontation, British forces in Borneo will begin a withdrawal to be phased over a six-month period. This decision was reached after consultations in Kuala Lumpur last week between UK Defense Minister Healy and Malaysian officials. The joint planning apparently does not provide for Britain's reducing its military commitments in peninsular Malaysia, and no immediate change appears to be contemplated in the use of Britain's air and naval bases in Singapore.

The decision on withdrawing troops from Borneo stems in part from pressures by the Malaysian leaders. They appear convinced that the Indonesians intend to end open confrontation despite continuing manifestations of low-level, Indonesian-sponsored subversive and paramilitary activity in Malaysian Borneo. These leaders argue that the prompt withdrawal of British troops, and the concurrent transfer of operational command responsibility to Malaysia, is necessary to demonstrate Malaysian and British good faith, and that it would facilitate improved relations with Indonesia in all fields. Malaysia's Deputy Prime Minister Razak has said that Indonesia would not "have the heart" to continue subversive activities once friendly relations were established, and,

even should they continue, the six battalions of Malaysian troops and other security forces which would replace the UK forces could handle the problem.

The British military fear that Malaysia is naively accepting at face value Indonesian assurances of peaceful intentions. UK cabinet-level officials, however, also appear eager to accept these assurances. Defense Minister Healy and others are aware of the recent Indonesian incursions, but London wants to cut its costly commitments in Southeast Asia and some British officials welcome the prospect as an opportunity to reorient their policies toward Europe.

The replacement of UK forces in Borneo by Malay units would bring new problems for Malaysia. Malay troops in Borneo have in the past acted in a highhanded manner, and a large increase in their number could lead to serious frictions with the predominantly tribal and Chinese population. The ostensible end of confrontation, moreover, will tend to refocus popular attention on domestic problems, and the already serious frictions between Sarawak and the Kuala Lumpur regime may be expected to intensify.

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WARSAW PACT MEETING

The results so far disclosed of the high-level Warsaw Pact meeting in Bucharest from 4 to 7 July suggest that the USSR and the Eastern Europeans were unable to break new ground on outstanding issues within the alliance. Moscow's desire to establish a Soviet bloc political consensus on such matters as European security and Vietnam resulted only in joint statements that were largely reiterations of old bromides.

Probably none of the participants was completely satisfied with the outcome of the meetings. Moscow could take satisfaction, however, from the backing it obtained from its European allies on the Vietnam declaration in contrast to the go-it-alone position of Peking. The statement contained no new proposals, but put a blocwide stamp of approval on pledges of support for Hanoi. Poland, East Germany, and Czechoslovakia had not before this declaration pledged volunteers if Hanoi requested them.

The conference's statement on strengthening peace and security in Europe, like that on Vietnam, made no new proposals and contained numerous Rumanian-sounding pleas for consolidation of European peace on the basis of the equal rights of all nations. In calling for a general European security conference at any date suitable to those who would participate, the statement left the door open to all interested parties including NATO members and neutrals. The absence of new proposals suggests that in

addition to intrapact differences on specifics, both the Soviets and the East Europeans wished to retain freedom of maneuver with a view to possible future developments within NATO.

There were no clear indications of what, if any, steps may have been agreed to for the strengthening or reorganization of the pact, despite the series of intra-bloc meetings over the past several months believed to have been devoted at least in part to such questions. The final communiqué shed no light on whether there was any resolution of the Moscow-Bucharest differences over the pact.

As an article in the Czechoslovak trade union daily on 10 July noted, however, the drafting of the meeting's statements "was surely not a simple affair without discussions." The article then went on to draw attention to the "natural" differences between Poland and Czechoslovakia, on the one hand, which "are more sensitive to the revanchist circles in the German Federal Republic" and the Rumanians and Bulgarians, on the other, who "naturally react immediately to any unfavorable development in the southern wing of NATO--in Greece and Turkey." This is the first public suggestion from Eastern Europe that some differentiation may have been established within the Warsaw Pact between its northern tier forces and those in the Balkans.

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Middle East - Africa

GREEK POLITICAL DEADLOCK ENTERS SECOND YEAR

The deadlock which has characterized Greek politics since the Papandreou government fell last July shows some signs of easing. Although no major political group seems yet ready to risk elections, elements within them are taking contingency steps to improve their public positions before Parliament reconvenes in the fall.

Premier Stephan Stephanopoulos' government is made up of defectors from Papandreou's politically diverse Center Union party. It survives because of the reluctant support provided by the conservative National Radical Union (ERE), but its slim majority and unsure backing have prevented it from putting through any significant measures. Cabinet ministers are visiting their home constituencies with increasing frequency to mend their fences against the possibility of early elections.

The greatest continuing threat to the government's tenure is the ERE's dissatisfaction with its junior partner role. The withdrawal of the ERE's sole representative in the government on 8 June showed its feelings. Although party members generally

believe that the ERE's public image must be improved, they cannot agree on how to do this. The party leadership appears to hope that if the ERE withdrew support from Stephanopoulos, King Constantine would appoint an interim ERE government to supervise elections, rather than persist in trying to avoid them. The ERE's ace in the hole is Konstantine Karamanlis, its self-exiled former leader who was premier for almost nine years prior to his resignation in 1963.

respected and feared for his oratorical skills and popularity, Papandreou reportedly would now find it hard to withstand the stress of a political campaign. His controversial son Andreas remains the prime contender for his father's mantle, but some Center Union leaders are pushing forward former cabinet member George Mavros as a potential challenger. Andreas' speeches retain their anti-American overtones and suggest that he might make the role of the monarchy an issue in any election campaign.

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BURUNDI KING OUSTED

The situation in Burundi is murky in the wake of King Mwambutsa's ouster by his son, Prince Charles. There are some indications, however, that the prince has come under the influence of the radical faction in the ruling Tutsi tribal group.

On 8 July the prince announced that he was taking over from his father, who has been in Europe since an abortive coup attempt last October by the majority but generally subservient Hutu people. Charles also suspended the constitution, dismissed Premier Biha's government, and announced that he would rule by decree. He temporarily entrusted the administration of the country to Defense Secretary Micombero and two days later asked him to form a government.

The motivation for Charles' coup is still obscure. It was almost certainly caused to some extent by the King's refusal either to leave the soft life he has been leading in Europe and return to Bujumbura, or to delegate authority to anyone inside the country. The result of his absence has been almost complete governmental paralysis.

There may have been other inspirations for Charles' move. There are signs that he is heavily influenced by a group of Tutsis who generally advocate aggressive action against Hutus both at home

and in neighboring Rwanda, harbor a near-pathological hatred and fear of the US, and tend to look to the Communists, particularly the Chinese, for aid. Micombero was earlier said to be associated with this group. The cabinet announced on 12 July has a decidedly radical coloration, although the degree of control exercised by either Micombero or the prince is still far from clear.

Another important factor in the move against the King probably was the endemic factionalism among the Tutsis themselves. There may have also been a youth-versus-age conflict: the King is 53, ousted Premier Biha 47, Micombero about 23, and Prince Charles 19. An important unknown element is the position of 44-year-old Andre Muhirwa who has always been numbered among the extremists. He apparently is in Paris and has not been heard from since Charles made his move.

Fear of the US is so deep-rooted among the Tutsis that a consistently cordial attitude toward the US from any Tutsi government seems highly unlikely. Re-establishment of the Chinese Communist Embassy, which has been closed since January 1965, is a distinct possibility. On the other hand, knowledge that the US buys almost all of Burundi's one export, coffee, should inhibit any tendency in Bujumbura to take drastic action.

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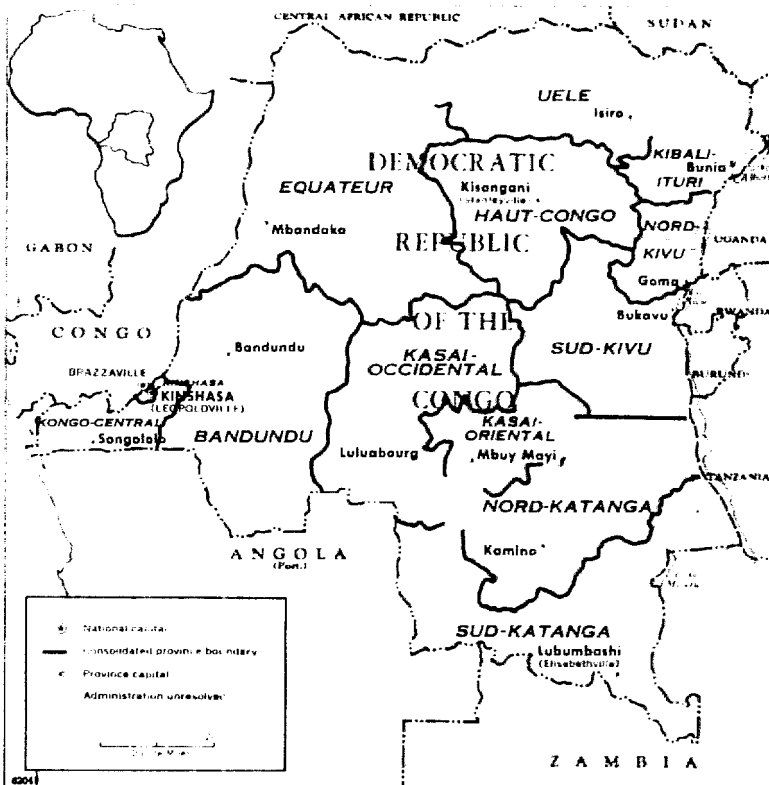
CONGO'S MOBUTU MOVES AWAY FROM THE WEST

As part of his effort to win more support in the Congo and elsewhere in Africa, President Mobutu is striving for a less pro-Western, more "nationalist" image.

lese intellectuals, many of whom are leftist oriented.

Another manifestation of Mobutu's new stance, and one with sure-fire appeal to both the intellectuals and the Congo's neighbors, is his effort to identify himself with the martyred Patrice Lumumba. Still another is his campaign against the Belgian economic presence in the Congo.

the President aspires to make Kinshasa (formerly Leopoldville) "the center of gravity for African politics." Indeed his recent decree "decolonizing" the names of Leopoldville, Stanleyville (now Kisangani), Elisabethville (Lubumbashi), and other principal towns is one reflection of his new outlook (see map). He is also trying to broaden his support inside the country by appealing to the growing number of young Congo-



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INTERNATIONAL COURT TO RULE ON SOUTH-WEST AFRICA

On 18 July the International Court of Justice (ICJ) will convene to deliver its long-awaited judgment on South Africa's responsibility to the UN regarding administration of South-West Africa. This will trigger intensive legal and political moves by South Africa and militant enemies of its racial segregation (apartheid) policies.

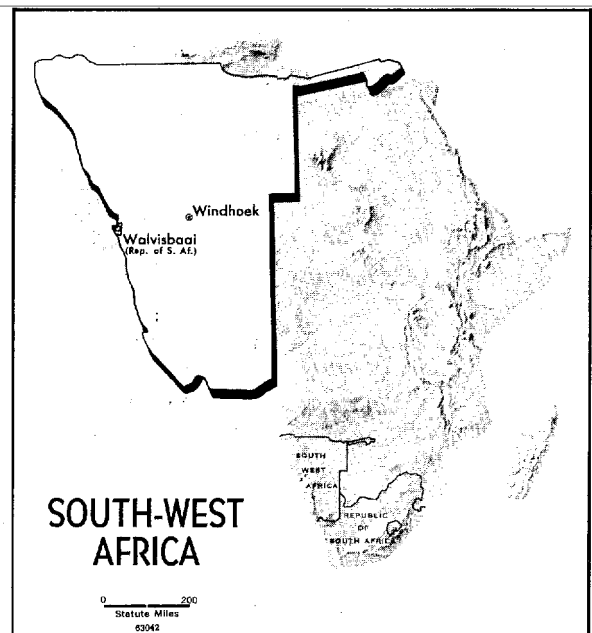
The ICJ is expected to declare that South Africa, which has governed South-West Africa since 1920 under a League of Nations mandate, has a continuing obligation to submit annual reports and transmit petitions from the inhabitants to the UN as the League's successor. The crucial question, however, will be whether the ICJ decides that South Africa has violated its mandate responsibilities toward the well-being and social progress of South-West Africans by instituting apartheid in the territory.

Whatever the substance of the ICJ's decision, the court may be vague about the terms of compliance and the methods of supervision. This would leave room for legal maneuver over a period of many years, and allow Pretoria to evade significant changes of its South-West African policy while remaining within the framework of international legality.

Other African governments will press for the strongest interpretation of the ICJ's opinion, for vigorous supervision by the UN General Assembly, and, if Pretoria openly refuses to abide by the court's findings, for mandatory economic sanctions against South Africa. The

effectiveness of sanctions would be limited in view of the South African economy's near self-sufficiency and the Afrikaners' militant determination to resist. To secure universal compliance any sanctions would almost certainly require military enforcement.

South Africa's actions will probably be determined largely by the extent of legal maneuver left by the wording of the ICJ findings and the extent to which it believes the Western powers will join in enforcing the court's decision. There is some indication that Pretoria does not think France will support enforced sanctions. Prime Minister Verwoerd, who recently refused to bow to British Prime Minister Wilson's pressure to support Rhodesian sanctions, probably believes the UK will not sacrifice its important South African trade on this issue, and may expect that the US would not accept the responsibility alone.



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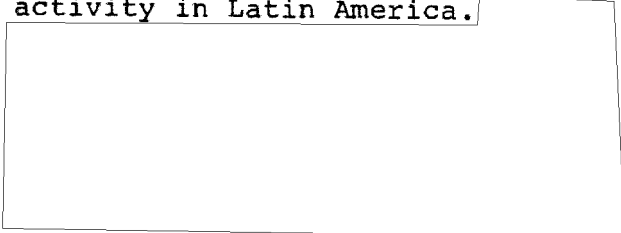
Western Hemisphere

CUBA PREPARES FOR 26 JULY CELEBRATIONS

Fidel Castro will probably play his usual predominant role in Cuba's national celebrations on 26 July. The Cuban leader's vigorous appearance on 29 June when he delivered his first public address since 1 May, and his lengthy interviews with Western correspondents on 3 and 5 July, have dispelled the sensationalist rumors concerning his state of health and changes in his political position.

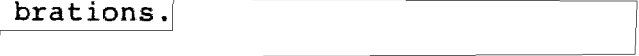
Castro's withdrawal from public view in May and June and his increasingly bellicose behavior during the past six months apparently reflect frustration over the regime's inability to resolve basic economic and administrative problems. His speech in Havana on 26 July--traditionally his most important of the year--will probably give evidence of his intention to rely increasingly on the Cuban Communist Party apparatus to try to ease some of the regime's difficulties. Castro may announce a date for the first national party congress, which he earlier had indicated would be held some time late this year. He probably will speak at length on the increasing importance of the party and the continuing institutionalization of the regime under its aegis.

Castro almost certainly will vehemently denounce the stepped-up US air activity in Vietnam, and may propose sending Cuban military "volunteers"--medical or technical personnel--to Hanoi. He can also be expected to call for more concerted revolutionary activity in Latin America.



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Castro may also for the first time call attention publicly to Cuba's growing efforts in Africa--perhaps noting the recent statements of the leaders of the Brazzaville regime that, except for Cuban military advisers, their administration could not have survived the disorders early this month. The Cuban leader may offer limited funds and training to some revolutionary groups in Latin America, Asia, and Africa which will be represented at the 26 July celebrations.



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ARGENTINE GOVERNMENT WEIGHS REFORM MEASURES

President Ongania and his advisers are laying the groundwork for major reforms of Argentina's political, labor, and social institutions, but have given little indication of their specific nature.

Ongania has made several short public speeches since taking office, but he has yet to outline his policies in detail. He did stress in a speech in Tucuman that he intends to revise the corruption-ridden social security system and hinted at the establishment of a new government office for social welfare.

25X1 [redacted] Ongania eventually hopes to establish a political system based on two to four political parties, the government is not now concerned with elections and is unwilling to commit itself to a date for a return to constitutional rule. Ongania's appointments continue to reflect his interest in placing competent, nonpolitical figures in important positions.

Ongania was to begin meeting with Peronist leaders this week, possibly to discuss revisions of the nation's labor code. The government has restored the legal status of five unions that lost their rights under President Illia because of their illegal political activities, but warned the unions to confine themselves to legitimate labor work. Both the orthodox and moderate Peronists seem to be willing to cooperate with the new government, and the re-

turn of Peron's wife to Madrid may indicate that the Peronists plan no political moves for the present.

The government on 6 July authorized federal police to detain and search without warrant persons suspected of criminal activity. The decree is to remain in effect for 30 days, but there have been few arrests and the police power appears to be tightly controlled. Few officials of Illia's government have been arrested, and the most prominent one detained, the ex-President's brother Ricardo, was subsequently released. Illia himself was not detained and returned on 11 July to his home in Cordoba to resume his medical practice.

The greatest number of arrests and most police activity appear to involve Communist Party (PCA) offices and officials.

[redacted]

25X1 The Ongania government has now been recognized by most of the countries in South America, Europe, and Asia that formerly recognized Illia. Most Central American states have withheld recognition pending a US initiative to resume relations.

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VIOLENCE IN JAMAICA

Mob violence, caused by internal political and social conditions, erupted last month in Jamaica, and continues to flare, especially in the depressed West Kingston area. Several clashes between West Kingston gangs affiliated with the governing Jamaica Labor Party (JLP) and with the opposition People's National Party (PNP) have occurred in the past month.

West Kingston, a breeding ground for vice, crime, and political unrest, falls within the constituency of JLP member and Minister of Development and Welfare Edward Seaga. Seaga appears to have established a personal rather than a party following in this poverty-stricken area and has made it into a body of regimented, red-shirted henchmen.

West Kingston gang warfare broke out on 14 June, featuring dynamite bombs, knives, machetes, and Molotov cocktails. Seaga claimed that well-known PNP supporters were involved in the bombings. On 20 June new disorders occurred and a hostile crowd burned a store on property owned by the Seaga family. Seaga, who has threatened violence in the past, apparently decided to

unleash his thugs, and additional clashes have ensued periodically between the opposing political gangs.

A lull developed in West Kingston on 28 June when most of the country held parish elections, but trouble soon broke out again. The US Embassy has commented that open violence has become a popular habit that may be difficult for authorities to break.

More gang battles are anticipated as both parties prepare for general elections which must be held by 7 August 1967. In addition, serious social problems in Jamaica caused by a rapid population increase, high urban unemployment, and an uneven distribution of wealth will contribute to the tensions. Although the island's few extremists did not initiate the recent disturbances, they can be expected to exploit the situation.

Jamaica's poorly organized and ill-equipped police constabulary would at present be hard pressed to contain large-scale rioting.

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